

Company Registration No. 09003642 (England and Wales)

ANCASTA TOPCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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ANCASTA TOPCO LIMITED

COMPANY INFORMATION

Directors Mr N G Griffith
Mr A G Overton (Appointed 1 January 2016)

Secretary Ms H L Broadbent

Company number 09003642

Registered office Port Hamble
Satchell Lane
Hamble
Southampton
Hampshire
SO31 4QD

Auditor Moore Stephens (South) LLP
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Business address Port Hamble
Satchell Lane
Hamble
Southampton
Hampshire
SO31 4QD

Bankers Lloyds Bank
63 London Road
Southampton
Hants
SO15 2US

ANCASTA TOPCO LIMITED

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ANCASTA TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present the strategic report for the year ended 31 August 2016.

Fair review of the business

Group turnover increased by 23% to £24m compared to the previous year. In Ancasta International Boat Sales (AIBS) turnover increased by 43% compared to the previous year and reported a profit before tax of £87k. The results were adversely reflected by the currency fluctuations caused by the EU referendum. AIBS finances its stock of new and used boats through a facility denominated in euros. The fall in the value of sterling resulted in a charge to the profit and loss account of £291k arising from the revaluation of this facility at the balance sheet date.

Despite the setbacks caused by exchange rates, Ancasta experienced continued success with its motor brands achieving parity in the mix of power and sail, reflecting the wider market trends. The company was proud to be awarded Prestige Motor Yachts Dealer of the Year 2016. Boat sales across all brands have strengthened over the year. In addition changes to the management of the brokerage business have also improved the company's performance in that area.

In January 2016 the group completed the sale of its subsidiary in Palma, recovering the book value of its investment in cash. The Group has maintained its presence in the Balearics via a franchise office in Palma. The group also has a presence in France through its subsidiary in Port Napoleon.

Hamble Yacht Services Refit and Repair Ltd (HYSRR) experienced a difficult year, posting an operating loss of £491k. During the year a number of measures were taken to reduce the fixed overhead of the business and restructure the management of the business, with the programme continuing into 2017. The business is likely to continue to face stiff price competition and a relatively flat market for the foreseeable future.

In the comparative year the group underwent a de-merger process whereby group's freehold interests and the boat storage business were sold off. As a result of the sale of these elements of the group's business all borrowings except for Ancasta International Boat Sales' stock finance facilities were repaid. Additionally, certain shareholders invested £364k as long term loans.

Key performance indicators

	Year ended 31 August 2016	Year ended 31 August 2015	Year ended 31 August 2014
Gross Profit	16.58%	23.96%	28.88%
Liquidity Ratio	1.11	1.19	0.47

Financial risk management objectives and policies

The group uses various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below. In order to manage currency risk, the group enters into forward currency contracts. The company does not utilise any other type of hedging instruments.

Liquidity risk is closely monitored with the aim of maintaining an adequate cash cushion to meet its day to day cashflows.

The groups' principle financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors. In order to manage credit risk the group agrees advance or stage payments wherever possible. Where credit is granted, credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

ANCASTA TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

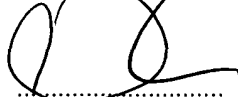
FOR THE YEAR ENDED 31 AUGUST 2016

Future developments

The group is committed to improving its customer care and aftersales offering aiming to provide a high level of service to customers both in the UK and overseas. To this end, the company is investing in training and recruitment of new staff, alongside improving its relationships with trusted suppliers.

Trading within AIBS in the current financial year has been positive both in volume of new boat sales and an increase in brokerage revenues. Within HYSRR margins continue under pressure but the results are forecast to show an improvement on the performance in 2016.

On behalf of the board



.....
Mr N G Griffith

Director

26 MAY 2017
.....

ANCASTA TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report and financial statements for the year ended 31 August 2016.

Principal activities

The principal activity of the group is the distribution of new yachts, yacht brokerage, and related activities. The group also owns the yacht repair and refit company: Hamble Yacht Services Refit and Repair Ltd ("HYSRR") which includes the rigging business of Advanced Rigging and Hydraulics.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N G Griffith

Mr A G Overton

Mr P B Morton

(Appointed 1 January 2016)

(Resigned 15 January 2016)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

Moore Stephens (South) LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

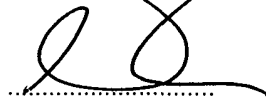
Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mr N G Griffith

Director

26 May 2017

ANCASTA TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANCASTA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANCASTA TOPCO LIMITED

We have audited the financial statements of Ancasta Topco Limited for the year ended 31 August 2016 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ANCASTA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ANCASTA TOPCO LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Louise Hastings (Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP

30/05/17

Chartered Accountants
Statutory Auditor

City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

ANCASTA TOPCO LIMITED

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Continuing operations £	Discontinued operations £	31 August 2016 £	Continuing operations £	Discontinued operations £	31 August 2015 £
Revenue	2	24,135,681	-	24,135,681	18,895,043	735,827	19,630,870
Cost of sales		(20,133,962)	-	(20,133,962)	(14,772,069)	(154,470)	(14,926,539)
Gross profit		4,001,719	-	4,001,719	4,122,974	581,357	4,704,331
Distribution costs		(348,998)	-	(348,998)	(316,379)	-	(316,379)
Administrative expenses		(4,155,383)	-	(4,155,383)	(4,054,649)	(757,188)	(4,811,837)
Other operating income		46,645	-	46,645	-	-	-
Profit on disposal of subsidiary	3	168,764	-	168,764	-	-	-
Operating loss	4	(287,253)	-	(287,253)	(248,054)	(175,831)	(423,885)
Investment income	8	66,979	-	66,979	141	-	141
Finance costs	9	(42,630)	-	(42,630)	(63,017)	(106,317)	(169,334)
Other gains and losses		(5,733)	-	(5,733)	-	-	-
Loss before taxation		(268,637)	-	(268,637)	(310,930)	(282,148)	(593,078)
Taxation	10	(8,331)	-	(8,331)	61,500	-	61,500
Loss for the financial year	25	(276,968)	-	(276,968)	(249,430)	(282,148)	(531,578)

Loss for the financial year is all attributable to the owners of the parent company.

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

	2016 £	2015 £
Loss for the year	(276,968)	(531,578)
Other comprehensive income		
Currency translation differences	(3,023)	-
Total comprehensive income for the year	<u>(279,991)</u>	<u>(531,578)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

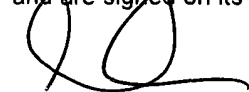
ANCASTA TOPCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Property, plant and equipment	12		170,085		127,398
Current assets					
Inventories	16	3,509,196		2,694,389	
Trade and other receivables	17	1,864,078		2,056,531	
Cash at bank and in hand		1,080,450		1,069,256	
		6,453,724		5,820,176	
Current liabilities	19	(5,813,307)		(4,859,699)	
Net current assets			640,417		960,477
Total assets less current liabilities			810,502		1,087,875
Non-current liabilities	20		(363,750)		(363,750)
Provisions for liabilities	22		(2,618)		-
Net assets			444,134		724,125
Equity					
Called up share capital	24	1,150,000		1,150,000	
Other reserves	25	(1,149,998)		(1,149,998)	
Retained earnings	25	444,132		724,123	
Total equity			444,134		724,125

The financial statements were approved by the board of directors and authorised for issue on 26 MAY 2017 and are signed on its behalf by:



Mr N G Griffith
Director

ANCASTA TOPCO LIMITED

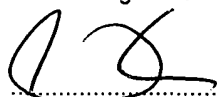
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	13		1,150,000		1,150,000
Current assets					
Cash at bank and in hand		-		62	
Current liabilities	19	(101)		(100)	
Net current liabilities			(101)		(38)
Total assets less current liabilities			<u>1,149,899</u>		<u>1,149,962</u>
Equity					
Called up share capital	24		1,150,000		1,150,000
Retained earnings	25		(101)		(38)
Total equity			<u>1,149,899</u>		<u>1,149,962</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £63 (2015 - £38 loss).

The financial statements were approved by the board of directors and authorised for issue on 26 May 2017 and are signed on its behalf by:



Mr N G Griffith
Director

Company Registration No. 09003642

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Retained earnings £	Total £
Balance at 1 September 2014		2	1,257,505	-	1,098,200	2,355,707
Year ended 31 August 2015:						
Loss and total comprehensive income for the year		-	-	-	(531,578)	(531,578)
Issue of share capital	24	6,149,998	-	-	-	6,149,998
Reduction of shares	24	(5,000,000)	-	-	-	(5,000,000)
Other movements		-	(1,257,505)	(1,149,998)	157,501	(2,250,002)
Balance at 31 August 2015		1,150,000	-	(1,149,998)	724,123	724,125
Year ended 31 August 2016:						
Loss for the year		-	-	-	(276,968)	(276,968)
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	-	-	(3,023)	(3,023)
Total comprehensive income for the year		-	-	-	(279,991)	(279,991)
Balance at 31 August 2016		1,150,000	-	(1,149,998)	444,132	444,134

ANCASTA TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Share capital £	Retained earnings £	Total £
Period ended 31 August 2015:				
Loss and total comprehensive income for the year		-	(38)	(38)
Issue of share capital	24	6,150,000	-	6,150,000
Reduction of shares	24	(5,000,000)	-	(5,000,000)
Balance at 31 August 2015		<u>1,150,000</u>	<u>(38)</u>	<u>1,149,962</u>
Year ended 31 August 2016:				
Loss and total comprehensive income for the year		-	(63)	(63)
Balance at 31 August 2016		<u>1,150,000</u>	<u>(101)</u>	<u>1,149,899</u>

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(1,407,505)		8,227,212
Interest paid			(42,630)		(169,334)
Income taxes paid			(7,010)		(88,621)
Net cash (outflow)/inflow from operating activities			(1,457,145)		7,969,257
Investing activities					
Purchase of property, plant and equipment		(105,210)		(93,243)	
Proceeds on disposal of property, plant and equipment		-		346,055	
Proceeds on disposal of subsidiaries net of cash disposed of		55,019		-	
Proceeds from other investments and loans		40,000		-	
Interest received		369		141	
Net cash (used in)/generated from investing activities			(9,822)		252,953
Financing activities					
Increase/(decrease) in stock finance		1,478,161		(918,128)	
Proceeds from borrowings		-		363,750	
Repayment of bank loans		-		(7,558,488)	
Net cash generated from/(used in) financing activities			1,478,161		(8,112,866)
Net increase in cash and cash equivalents			11,194		109,344
Cash and cash equivalents at beginning of year			1,069,256		959,912
Cash and cash equivalents at end of year			1,080,450		1,069,256

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

Ancasta Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Port Hamble, Satchell Lane, Hamble, Southampton, Hampshire, SO31 4QD.

The group consists of Ancasta Topco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 August 2016 are the first financial statements of Ancasta Topco Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 32.

The consolidated financial statements incorporate those of Ancasta Topco Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of new boats is recognised when the boat is ready for delivery and full payment has been received from the customer.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Revenue from the provision of services is recognised at the point at which the company has fulfilled its contractual obligations, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Revenue arising from brokerage commission is recognised at the point where the sale of the boat becomes unconditional.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the relevant lease on a straight line basis
Plant and equipment	Over 3 - 20 years
Fixtures and fittings	Over 3 - 10 years
Computer equipment	Over 3 - 4 years
Motor vehicles	Over 3 - 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving items. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Work in progress is stated at cost including direct material and labour costs, unless there is a foreseeable loss, then a provision is made.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Revenue

An analysis of the group's revenue is as follows:

	2016 £	2015 £
Turnover		
Sale of goods	20,636,738	14,031,501
Rendering of services	3,273,881	5,123,946
Commissions	225,062	475,423
	<u>24,135,681</u>	<u>19,630,870</u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

2	Revenue	(Continued)	
	Other significant revenue		
	Investment income	66,979	141
		<u> </u>	<u> </u>
	Revenue analysed by geographical market		
		2016	2015
		£	£
	UK	19,308,713	17,092,629
	Overseas	4,826,968	2,538,241
		<u> </u>	<u> </u>
		24,135,681	19,630,870
		<u> </u>	<u> </u>
3	Exceptional costs/(income)	2016	2015
		£	£
	Profit on disposal of subsidiary	168,764	-
		<u> </u>	<u> </u>
	During the year the group disposed of one of its subsidiaries, see note 26 for further details.		
4	Operating loss	2016	2015
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	290,902	(183,199)
	Depreciation of owned property, plant and equipment	57,947	158,980
	Loss/(profit) on disposal of property, plant and equipment	430	(7,347)
	Amortisation of intangible assets	-	40,875
	Impairment of intangible assets	-	119,373
	Operating lease charges	387,984	205,445
		<u> </u>	<u> </u>
5	Auditor's remuneration	2016	2015
		£	£
	Fees payable to the company's auditor and associates in respect of:		
	For audit services		
	Audit of the financial statements of the company and its subsidiaries	14,445	18,500
		<u> </u>	<u> </u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2016 Number	2015 Number
Sales and marketing	27	36
Aftersales and administration	22	23
Boat repairs	33	31
	<u>82</u>	<u>90</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,693,890	3,263,470
Social security costs	288,894	192,830
Pension costs	151,818	94,216
	<u>3,134,602</u>	<u>3,550,516</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	242,793	457,275
Company pension contributions to defined contribution schemes	-	9,604
	<u>242,793</u>	<u>466,879</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2015 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2016 £	2015 £
Remuneration for qualifying services	<u>134,329</u>	<u>145,650</u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Investment income

	2016 £	2015 £
Interest income		
Interest on bank deposits	369	141
Other income from investments		
Gains on financial instruments measured at fair value through profit or loss	66,610	-
Total income	<u>66,979</u>	<u>141</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	369	141
Interest on financial assets measured at fair value through profit or loss	<u>66,610</u>	<u>-</u>

9 Finance costs

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	15,846	60,082
Other interest on financial liabilities	26,784	109,252
	<u>42,630</u>	<u>169,334</u>

10 Taxation

	2016 £	2015 £
Current tax		
Adjustments in respect of prior periods	-	(592)
Foreign current tax on profits for the current period	7,010	(2,009)
Total current tax	<u>7,010</u>	<u>(2,601)</u>
Deferred tax		
Origination and reversal of timing differences	1,321	(58,899)
Total tax charge/(credit)	<u>8,331</u>	<u>(61,500)</u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(268,637)	(593,078)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.58%)	(53,727)	(122,055)
Tax effect of expenses that are not deductible in determining taxable profit	1,852	51,492
Gains not taxable	(33,753)	-
Unutilised tax losses carried forward	92,904	-
Adjustments in respect of prior years	(9)	(592)
Depreciation on assets not qualifying for tax allowances	1,314	-
Capital allowances and depreciation add back	-	51,870
Other tax adjustments	(250)	(15,729)
Deferred tax adjustment	-	(58,899)
Loss on demerger	-	32,413
Taxation charge/(credit) for the year	8,331	(61,500)

The group has estimated tax losses of £502,420 (2015 £37,896) available for carry forward against future trading profits in the subsidiaries where the losses originated from.

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 September 2015 and 31 August 2016	2,234,418
Amortisation and impairment	
At 1 September 2015 and 31 August 2016	2,234,418
Carrying amount	
At 31 August 2016	-
At 31 August 2015	-

The company had no intangible fixed assets at 31 August 2016 or 31 August 2015.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

12 Property, plant and equipment

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	258,751	83,916	250,134	679,954	35,788	1,308,543
Additions	80,525	14,356	4,779	5,550	-	105,210
Disposals	-	(2,580)	(49,644)	(13,676)	-	(65,900)
Exchange adjustments	-	-	534	1,783	-	2,317
At 31 August 2016	339,276	95,692	205,803	673,611	35,788	1,350,170
Depreciation and impairment						
At 1 September 2015	223,555	69,382	209,428	645,195	33,585	1,181,145
Depreciation charged in the year	9,376	3,518	16,108	26,912	2,033	57,947
Eliminated in respect of disposals	-	(2,150)	(47,282)	(13,734)	-	(63,166)
Exchange adjustments	-	-	490	3,669	-	4,159
At 31 August 2016	232,931	70,750	178,744	662,042	35,618	1,180,085
Carrying amount						
At 31 August 2016	106,345	24,942	27,059	11,569	170	170,085
At 31 August 2015	35,196	14,534	40,706	34,759	2,203	127,398

The company had no property, plant and equipment assets at 31 August 2016 or 31 August 2015.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	14	-	-	1,150,000	1,150,000
Other investments	14	-	-	-	-

Movements in non-current investments Group

Investments
other than
loans
£

Cost or valuation

At 1 September 2015 & 31 August 2016

40,875

Impairment

At 1 September 2015 & 31 August 2016

40,875

Carrying amount

At 31 August 2016

-

At 31 August 2015

-

Movements in non-current investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 September 2015 & 31 August 2016

5,598,575

Impairment

At 1 September 2015 & 31 August 2016

4,448,575

Carrying amount

At 31 August 2016

1,150,000

At 31 August 2015

1,150,000

As part of the group reorganisation, during the comparative year Ancasta Topco Limited acquired all of the existing group of Ancasta Group Limited, satisfied by way of share for share exchanges of £6,150,000.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ancasta Group Limited	England and Wales	Holding company	Ordinary	100.00	
Ancasta International Boat Sales Limited	England and Wales	Boat sales and brokerage	Ordinary		100.00
Hamble Yacht Services Refit and Repair Limited	England and Wales	Boat repairs and storage	Ordinary		100.00
Aqualinus	England and Wales	Dormant	Ordinary		100.00
Ancasta Port Napoleon SARL	France	Boat brokerage services	Ordinary		100.00

The investments in subsidiaries are all stated at cost.

During the year the group disposed of its interest in Ancasta Palma SL, see note 26.

During the comparative year a group reconstruction took place, see below for further details.

On 19 January 2015 a share for share exchange acquisition took place with Ancasta Group, £6,149,998 ordinary £1 shares were exchanged for 100% of the share capital in Ancasta Group Limited.

HYS (Holdings) limited became a direct subsidiary of Ancasta Topco Limited. The investment was transferred at its book value of £4,448,875 by way of dividend in specie. This investment has been subsequently impaired.

HYS (Holdings) limited was demerged on 16 January 2015. This was completed via a return of capital demerger. Ancasta Topco Limited reduced its share capital by the cancellation of the ordinary B shares and in exchange transferred its shareholding in HYS (Holdings) Limited, outside of the group.

15 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,078,828	1,688,018	-	-
Instruments measured at fair value through profit or loss	66,610	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	4,992,167	3,047,413	101	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Inventories

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	113,655	127,438	-	-
Work in progress	39,712	48,380	-	-
Finished goods and goods for resale	3,355,829	2,518,571	-	-
	<u>3,509,196</u>	<u>2,694,389</u>	<u>-</u>	<u>-</u>

17 Trade and other receivables

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade receivables	446,226	1,097,231	-	-
Derivative financial instruments	66,610	-	-	-
Other receivables	477,892	236,199	-	-
Prepayments and accrued income	806,679	682,874	-	-
	<u>1,797,407</u>	<u>2,016,304</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 22)	17,979	40,227	-	-
	<u>1,815,386</u>	<u>2,056,531</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Other receivables	48,692	-	-	-
	<u>48,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>1,864,078</u>	<u>2,056,531</u>	<u>-</u>	<u>-</u>

18 Derivatives

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. As at 31 August 2016 the outstanding contracts all mature within 3 months of the year end. The company is committed to buy 950,000 euros at a fixed sterling amount.

The foreign currency forward contracts have been fair valued using observable forward exchange rates and interest rates corresponding to maturity of the contract.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Stock finance	21	3,211,351	1,733,190	-	-
Payments received on account		414,654	847,687	-	-
Trade payables		921,768	846,145	-	-
Amounts due to group undertakings		-	-	101	100
Other taxation and social security		622,673	817,270	-	-
Other payables		72,835	75,246	-	-
Accruals and deferred income		570,026	540,161	-	-
		<u>5,813,307</u>	<u>4,859,699</u>	<u>101</u>	<u>100</u>

20 Non-current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Other borrowings	21	<u>363,750</u>	<u>363,750</u>	<u>-</u>	<u>-</u>

21 Borrowings

		Group 2016 £	2015 £	Company 2016 £	2015 £
Loans from related parties		363,750	363,750	-	-
Stock finance		3,211,351	1,733,190	-	-
		<u>3,575,101</u>	<u>2,096,940</u>	<u>-</u>	<u>-</u>
Payable within one year		3,211,351	1,733,190	-	-
Payable after one year		<u>363,750</u>	<u>363,750</u>	<u>-</u>	<u>-</u>

The stock finance liability is paid once the associated stock has been sold and is secured by a charge over the boats held in inventories.

The loans from related parties are loans from the shareholders in Ancasta Top Co Limited. The loans carry an interest charge of 3.5% over base rate and are repayable by January 2020.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Group				
Accelerated/decelerated (asset) capital allowances	2,618	-	3,805	16,410
Retirement benefit obligations	-	-	3,338	-
Other timing differences	-	-	10,836	23,817
	<u>2,618</u>	<u>-</u>	<u>17,979</u>	<u>40,227</u>

Company

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability/(asset) at 1 September 2015	(40,227)	-
Charge to profit or loss	1,321	-
Transfer on disposal	23,545	-
Liability/(asset) at 31 August 2016	<u>(15,361)</u>	<u>-</u>

23 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>151,818</u>	<u>94,216</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

Contributions totalling £17,225 (2015: £951) were outstanding at the year end.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,150,000 Ordinary shares of £1 each	1,150,000	1,150,000

The company has one class of share capital, one share equals one vote, each having rights to dividends.

During the comparative year 2 ordinary shares were allotted and fully paid at par for cash consideration.

During the comparative year, Ancasta Topco Limited issued 6,149,988 shares via a share for share exchange. These shares were reclassified into 1,150,000 ordinary A shares of £1 each and 5,000,000 ordinary B shares of £1 each. Subsequently, 5,000,000 ordinary B shares were purchased by the company as a return of capital.

25 Reserves

Other Reserve - Merger reserve

The merger reserve was created after the group reconstruction following the use of merger accounting.

Retained earnings

Retained earnings include all current and prior period retained profit and losses.

26 Disposals

On 1 January 2016 the group disposed of its 100% holding in Ancasta Palma SL. Included in these financial statements are profits of £3,119 arising from the company's interests in Ancasta Palma SL up to the date of its disposal.

	£
Cash and cash equivalents	44,981
Fixed assets	2,304
Trade and other receivables	21,523
Trade and other payables	(137,572)
	(68,764)
Gain on disposal	168,764
Total consideration	100,000
The consideration was satisfied by:	£
Cash	100,000

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

27 Financial commitments, guarantees and contingent liabilities

The group has a contingent liability in respect of bank borrowings of the group. Liability at the balance sheet date was nil (2015:nil). The bank borrowings are secured by a fixed and floating charge over the assets of the group.

During the year the group had an health and safety incident resulting in potential litigation against one of the groups subsidiary companies. Due to the current progress of this claim it is not known whether the litigation will be successful and if any fine or compensation will have been paid. It is believed that, if the conclusion of this litigation results in the outlay of money, then a payment schedule could be agreed upon. Due to the uncertainty of the outcome no provision has been made in these financial statements in respect of this matter.

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	252,989	238,142	-	-
Between two and five years	678,507	737,225	-	-
In over five years	1,060,140	1,186,103	-	-
	<u>1,991,636</u>	<u>2,161,470</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>500,207</u>	<u>493,395</u>

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales and expenses recharged 2016 £	2015 £
Group		
Other related parties	<u>20,455</u>	<u>98,277</u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

29 Related party transactions

(Continued)

	Rent and purchases		Interest paid	
	2016	2015	2016	2015
	£	£	£	£
Group				
Key management personnel	-	-	6,292	4,504
Other related parties	493,536	371,241	6,292	4,505
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The transactions above were completed at market value under normal trading conditions.

Included in rent and purchases above is £17,000 (2015: £16,000) in relation to purchases made to a LLP of which N Griffith is a director and member. The remaining other related party transactions for sales and purchases disclosed above are in connection with companies over which N Griffith (director of Ancasta Topco Limited) has significant influence.

The interest paid represents amounts paid to the shareholders of Ancasta Topco Limited in relation to loans made to the group. See note 21 for further details.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Group		
Key management personnel	181,875	181,875
Other related parties	239,420	259,724
	<u> </u>	<u> </u>
Company		
Entities over which the company has control, joint control or significant influence	101	100
	<u> </u>	<u> </u>

All amounts due stated above are unsecured and will be settled in cash.

The key management personnel balance and £181,875 (2015: 181,875) of the other related party balance relates to loans received from the shareholders of Ancasta Topco Limited. See note 21 for further details.

£57,545 (2015: £69,849) of the amounts owed to other related parties are in connection with companies over which N Griffith (director of Ancasta Topco Limited) has significant influence.

Amounts owed to related parties include £nil (2015: £8,000) due to a LLP of which N Griffith is a director and member.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

29 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2016 Balance £	2015 Balance £
Group		
Key management personnel	-	40,000
Other related parties	487	120,258

All amounts due stated above are unsecured and will be settled in cash.

The amount due from key management personnel £nil (2015: £40,000) represent an amounts owed on a directors loan.

The amount due from other related parties are in connection with companies over which N Griffith (director of Ancasta Topco Limited) has significant influence.

30 Controlling party

The directors consider there to be no ultimate controlling party.

31 Cash generated from group operations

	2016 £	2015 £
Loss for the year after tax	(276,968)	(531,578)
Adjustments for:		
Taxation charged/(credited)	8,331	(61,500)
Finance costs	42,630	169,334
Investment income	(66,979)	(141)
Loss/(gain) on disposal of property, plant and equipment	430	(7,347)
Gain on disposal of subsidiary	(168,764)	-
Decrease in demerger debtor	-	7,502,772
Amortisation and impairment of intangible assets	-	160,248
Depreciation and impairment of property, plant and equipment	57,947	158,980
Movements in working capital:		
(Increase)/decrease in inventories	(814,807)	531,644
Decrease/(increase) in trade and other receivables	193,364	(219,148)
(Decrease)/increase in trade and other payables	(382,689)	523,948
Cash (absorbed by)/generated from operations	(1,407,505)	8,227,212

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

32 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	1 September 2014 £	31 August 2015 £
Equity as reported under previous UK GAAP and under FRS 102	2,355,707	724,125

Reconciliation of group loss for the financial period

	2015 £
Loss as reported under previous UK GAAP and under FRS 102	(531,578)

Notes to reconciliations on adoption of FRS 102 - group

Statement of Cashflows

The group's cashflow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1.